

Apples to Apples: 3 Steps to Finding the Best College Deal

Step 1: Determine *your* Cost of Attendance

Identify what it will cost you to attend the school, based on your financial aid award letters, the school's website or a site like College Navigator.

There are direct costs, such as tuition and fees, and indirect ones, such as travel and personal expenses and books. Your indirect costs might be different from what the school's estimate is: for example, if you live off campus, your rent would be an indirect cost (but you wouldn't need to consider room and board), or if you plan to rent used textbooks instead of buying new ones, their estimate for books might be high. Be sure you include any extra fees that go along with certain majors, like lab fees.

Write that amount next to "Cost of Attendance" on the following chart.

Step 2: Subtract your gift aid.

Now figure out your total amount of "gift aid." This is scholarships and grants awarded to you by the college or by outside sources, such as Pell Grants or scholarships you won – money you don't have to pay back. Pay special attention to whether these gifts are guaranteed or if you'll need to meet requirements to keep them from year to year, such as a certain GPA or enrollment in a specific program. Add to this any money your parents plan to contribute, or money that you plan to contribute, such as savings from summer jobs.

Write your Gift Aid on the chart. Subtract this amount from your Cost of Attendance.

What's left is your Out-of-Pocket Cost. Write that on the chart.

Step 3: Look at your loans.

Here's where your loans come in. We've saved them for last because you might not need any or all of them. You should only borrow what you need, because you'll have to pay it back, with interest.

Write the amount of your loans in the line labeled "Loans."

Subtract the amount of your loans from your Out-of-Pocket Cost. This is your Total Left to Pay (it might be zero!)

If the amount of your loans is greater than your Out-of-Pocket Cost, you're covered! Your Total Left to Pay is 0. Remember to accept only the loans you need to cover your Out-of-Pocket Cost.

If your Out-of-Pocket Cost is greater than the amount of your loans, you'll need to find additional funding to attend that college. You could look into a parent PLUS loan from the federal government or talk with the college's financial aid office – they're there to help! Taking out a private loan should be your last option.

No matter how much you and your family decide to borrow, be a well-informed borrower! Use a [student loan repayment calculator like this](#) to figure out what your monthly payments will be, and review salary information for your chosen career. Borrowing for college is an investment in you, but it's an important financial decision and you'll want to avoid surprises down the road.